

Date Mailed February 22, 2000

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Wisconsin Power and Light Company, as an
Electric, Water and Natural Gas Public Utility, to Change
Electric, Water and Natural Gas Rates

6680-UR-110

**ORDER TO REOPEN AND
NOTICE OF HEARING**

Direct Testimony Due:	Monday, March 6, 2000 – Noon
Rebuttal Testimony Due:	Friday, March 10, 2000 – Noon
Hearing Date:	Monday, March 13, 2000 – 10:00 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1st Floor)

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37 and Wis. Admin. Code § PSC 116.06 to consider the February 7, 2000, application of Wisconsin Power and Light Company (WP&L) for authority to increase its retail electric rates due to an emergency increase in fuel costs.

In its application, WP&L reported its January 2000 variance of a 13.33 percent undercollection of fuel costs. This is in excess of its allowed monthly range of 10 percent. WP&L also estimated its fuel expenses for the cumulative period January through December 2000, based on January actual data and forecasts for February and December 2000, to be fuel costs of \$231.2 million or \$0.01759 per kWh. The projected increase above the authorized base fuel expense is \$36.4 million, on a total company basis, representing an annual increase of 16.64 percent from the level of fuel costs currently being monitored in this docket. It is in excess of WP&L's allowed 3 percent annual fuel cost range.

On April 29, 1997, the Commission issued an order in docket 6680-UR-110 authorizing a rate decrease of \$10,590,000, annually, for Wisconsin retail electric operations of WP&L. That order established an average fuel cost of \$0.01199 per net kWh for the test year. The order reinstated the monitoring of fuel costs for WP&L. The Commission had temporarily suspended such monitoring in the utility's previous rate case in docket 6680-UR-109. The order also established variance ranges for monitoring WP&L's fuel costs pursuant to Wis. Admin. Code ch. PSC 116. The appropriate variance ranges are:

(1) for the annual range, plus or minus 3 percent; (2) for the monthly range, plus or minus 10 percent; and (3) for the cumulative ranges, plus or minus 10 percent for the first month, plus or minus 6 percent for the second month, and plus or minus 3 percent for the remaining months of the calendar year.

Electric revenues resulting from fuel surcharges are subject to refund.

Pursuant to Wis. Admin. Code § PSC 116.03(1) and 116.06, an emergency rate increase can be granted only if the utility's monthly fuel costs exceed the ranges set in its rate proceeding, the annual fuel costs will be affected so as to exceed the annual range, and the increase in fuel costs was caused suddenly by forces beyond the utility's control or reasonable foresight.

In its February 7, 2000 filing, WP&L has properly invoked the provisions of Wis. Admin. Code § PSC 116.06 dealing with emergency and extraordinary increases in the cost of fuel. Therefore, the Commission hereby reopens this proceeding under Wis. Stat. § 196.39 to consider the company's application for an increase in rates.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

NOTICE IS GIVEN that a hearing will be held beginning on Monday, March 13, 2000, at 10:00 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

Persons who desire to actively participate as full parties must request full party status in writing. Full party status requests should be addressed to Jeffrey J. Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director, at (608) 267-0912.

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Questions regarding this matter may be directed to case coordinator Sharon Hennings at (608) 267-2160.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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